



North Carolina Department of Environment and Natural Resources
Division of Waste Management

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Governor

Dexter R. Matthews
Director

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Secretary

August 12, 2013

To: Division of Waste Management, Landfill Owners and Operators, Interested Parties
From: Ed Mussler, Permitting Branch Supervisor, Solid Waste Section, DWM

RE: FY 2013-2014 Potential Assessment and Corrective Action (PACA) Implementation

North Carolina General Statute 130A-295.2(h) requires the owner or operator of a sanitary landfill to establish financial assurance sufficient to cover a minimum of two million dollars (\$2,000,000) in costs for potential assessment and corrective action (PACA) at the facility.

Effective for fiscal year 2013-2014, the division will accept the minimum PACA amount of two million dollars, as required by GS 130A-295.2(h), without a cost estimate. The division reserves the right to ask for additional information or back up to the minimum amount, in instances where it may be questioned whether the minimum is adequate. The division will require cost estimates in the future, after effective guidance is developed.

The PACA amount was reduced in June of 2011 by Session Law 2011-262. It was reduced from a minimum of three million dollars to a minimum of two million dollars. As a result, the division required owners and operators to provide the details of a cost estimate for PACA at the facility. When the cost estimate provided by the owner or operator was for an amount less than the minimum 2 million dollars, the division required that the estimate be amended to reflect the minimum, so that the financial instrument and its documentation were consistent with each other.

The division has received numerous questions from the regulated community and the consultants who prepare PACA estimates, regarding assumptions and implementation of a procedure to produce a reliable cost estimate.

The division will investigate the PACA costs, assumptions, components and other information to help develop a process, procedure or acceptable demonstration method that can be employed by owners and operators in the future to determine appropriate PACA costs. The division will consider facility size, age, waste type, geologic setting, location, potential receptors, inflation and other factors in developing the guidance.

Questions regarding this action or PACA may be directed to the division representative, Ed Mussler, Permitting Branch Supervisor, at 919-707-8281 or email Ed.Mussler@ncdenr.gov.

Cc: Michael Scott, Section Chief, Solid Waste Section